

# TasBuild

Portable Long Service Scheme.



## ANNUAL REPORT



**FOR THE YEAR ENDING 30 JUNE 2020**



## ***CHAIRMAN'S REPORT***

I have much pleasure in presenting the Chairman's Report on the affairs and activities of TasBuild Ltd for the year ending 30 June 2020.

Clearly the big impact on Society, Workers, Employers, the Economy and the Construction Industry generally in 2020 has been the COVID-19 virus.

Across the industry there has been a range of impacts. In the large construction sector, there have been a number of large projects completed with the majority of new projects being deferred. However, with Federal and State Government financial incentives the housing sector is still very strong in both renovations and new builds.

The year in numbers at 30 June 2020 is as follows.

- Contributing Employers - up 6.8%
- Current Workers - up 6.8%
- Funds Invested - up 5.8%

These numbers suggest that there has not been a big impact on workers at 30 June 2020. This may have been helped during the period of isolation by Construction Workers being deemed as "Essential Workers".

Consequently, when measured by Funds Invested, Contributions and Claims there has been minimal impact on TasBuild. However, as we move forward with an economy in recession the challenge facing TasBuild, Employers and Workers is uncertainty and how-to best plan for the future.

### **People and Governance**

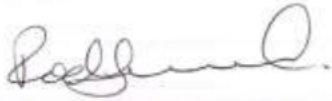
Since our last Annual General Meeting our CEO Chris Atkins has taken the decision to retire after eleven years of service to TasBuild. During his time as CEO Chris has been through the effects of the Global Financial Crisis, a downturn in the construction industry, a surge in growth in the construction industry in Tasmania and COVID-19. We thank Chris for his great contribution to TasBuild over eleven years and wish him good health and happiness in retirement.

After an extensive search by the Board with assistance from Executive Search firm Searson Buck, Michael Irwin was appointed CEO with commencement in April 2020. Michael comes to us with extensive management experience particularly at Tasplan Super where he was Chief Operating Officer for a number of years.

In April 2020 long serving Board Member Adrian Granger retired from the Board at the expiration of his term. Adrian, with vast experience in the Civil Construction Industry has been a great contributor to the Board for fifteen years. Again, we wish Adrian every success in his future working endeavours. Following Adrian's retirement as the Civil Contractors Federation nominee on behalf of TCCI, the TCCI took up the option of nominating their own Director to the Board. As a result, we welcome Michael Bailey as an Employer Director. With Michael's experience as Executive Director of TCCI we look forward to his contribution to the Board.

Finally, I wish to pay tribute to our loyal and dedicated staff for their contribution to the successful operations of the fund. With a change of the worker and employer administration system during the year they have worked tirelessly for a successful changeover in what at times has been a challenging environment.

Thank you for reading TasBuild's Report and we encourage you to contact us with any queries you may have.

A handwritten signature in dark ink, appearing to read 'Rod Scurrah', with a stylized flourish at the end.

Rod Scurrah  
**Independent Chairman**

## ***THE 2019 - 2020 'YEAR IN REVIEW'***

### **BY THE CHIEF EXECUTIVE OFFICER**



The financial year ending 30 June 2020 has been challenging in more ways than one. The CEO and leader of the administration team for 11 years retired in April 2020, introduction of the new wCRM administration platform and of course COVID-19 impacted globally.

Chris Atkin's made a significant contribution over his tenure but the last 12 months was particularly challenging with management of the introduction of the wCRM administration platform and then having to adapt and manage through the COVID-19 pandemic impact on business operations. The Board and staff all appreciated his guidance, leadership, knowledge and personable nature.

Whilst the TasBuild team is small in numbers, it has demonstrated it is sufficiently flexible and adaptable to be able to quickly change to working from home without interrupting service provision to employers and employees. When it was deemed safe, the staff quickly transitioned once again to working from the office in Rosny Park along with having to adapt to a raft of new Workplace Health and Safety requirements to ensure that the workplace was COVID-19 safe.

The TasBuild staff are cognisant that workers and employers in the building and construction industry may not be so fortunate and where possible, in accordance with legislation and rules, are ready to provide whatever assistance they can.

Investment returns are a key contributor to the financial sustainability of TasBuild which in turn means that the current contribution rate can be maintained at 1.8% for employer returns lodged and paid on time. The Board has been diligent in management and maintenance of an investment portfolio that was constructed to provide growth but with a view to investment in high quality investments that would hopefully withstand market downturns. This approach has been vindicated with the investment portfolio achieving a 2.7% positive return for the financial year ended 30 June 2020, despite the impacts of the global COVID-19 pandemic.

The future outlook is uncertain and TasBuild is considering scenarios to try and understand the potential challenges we may be facing and what we need to do to support our registered workers and employers whilst still maintaining the financial sustainability of TasBuild to support the building and construction industry into the foreseeable future.

### **Corporate Governance**

The Board Members and their meeting attendance for 2019 - 2020 is detailed below:

TITLE	NOMINATING ORGANISATION	Meeting Attendance	
		Board Meeting	Investment Committee
Chairman			
Rod Scurrah	TasBuild Board	7 of 7	6 of 6
Directors			
Adrian Granger	TCCI	6 of 6	6 of 6
John Short	AMWU	6 of 7	
Lyndon Fenton	MBT	6 of 7	
Kevin Harkins	CFMEU	7 of 7	5 of 6
Michael Anderson	Unions Tasmania	7 of 7	
Michael Shepperd	BISCO	7 of 7	
Michael Bailey	TCCI	1 of 1	



The Board of TasBuild has been relatively stable. 2020 saw the departure of Adrian Granger after 15 years' service. Adrian's involvement and contribution to the Board and representation of the Civil Contractors was substantial and appreciated.

Messrs Granger, Short and Anderson's positions expired on 20 April 2020. They were reappointed with the exception of Adrian Granger who was replaced by Michael Bailey from the TCCI. The Independent Chairman's position expires in April 2022 along with Messrs Fenton, Harkins and Shepperd.

The Board met on seven occasions in the year and participated in four continuous development sessions, which is a requirement of the Board's Policy.

The Investment Committee consists of the Independent Chairman, the CEO, two Board Members and an Independent Member. The Committee met on six occasions, charged with the responsibility of monitoring investments and reviewing performance, documents and policies to ensure we keep abreast of best practice.

Board Members are appointed for four-year terms, with half the positions becoming vacant every two years. Investment Committee and Board member representatives are elected for one-year terms. The Independent Chairman and the CEO are ongoing representatives while the Independent Committee Member is appointed every two years.

### Operational Overview

The following are the key statistical changes over the last 12 months:

Contributing Employers	↑	6.8%
Current Workers	↑	6.8%
Entitlements Paid	↑	15.6%
Contributions	↑	13.8%
Investments	↑	5.8%

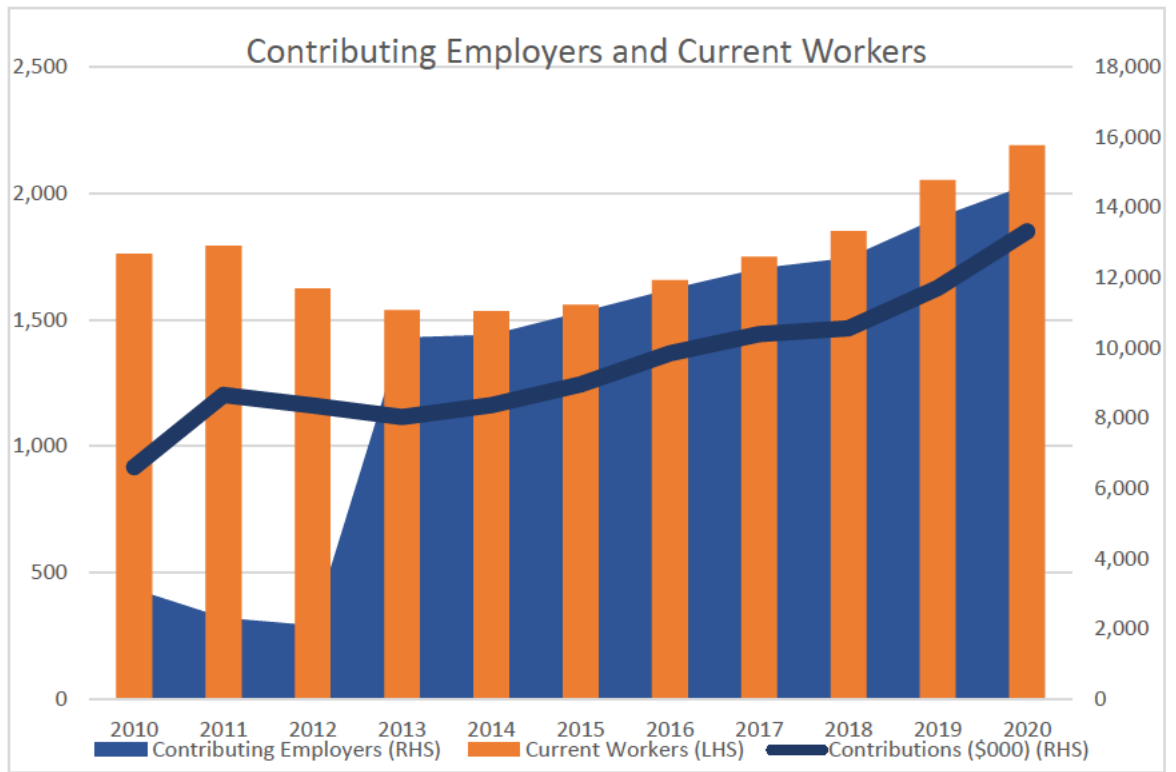
These statistics are reflective of the strength of the building and construction industry leading into the COVID-19 pandemic fully impacting Australia from February 2020 onwards. The industry is facing mixed circumstances with housing construction and renovations still having strong future commitments for work whilst commercial construction and civil contractors are experiencing projects being postponed or withdrawn due to the closed borders and global financial impacts.

The State and Federal Governments have provided stimulus to both sectors but the commercial construction and civil contracting sectors have longer lead times due to planning requirements, tender processes and companies gearing up to undertake the work and this means that it is difficult to anticipate how successful this stimulus will be in replacing delayed or deferred projects and how it will translate into job generation for the industry or the broader Tasmanian community.

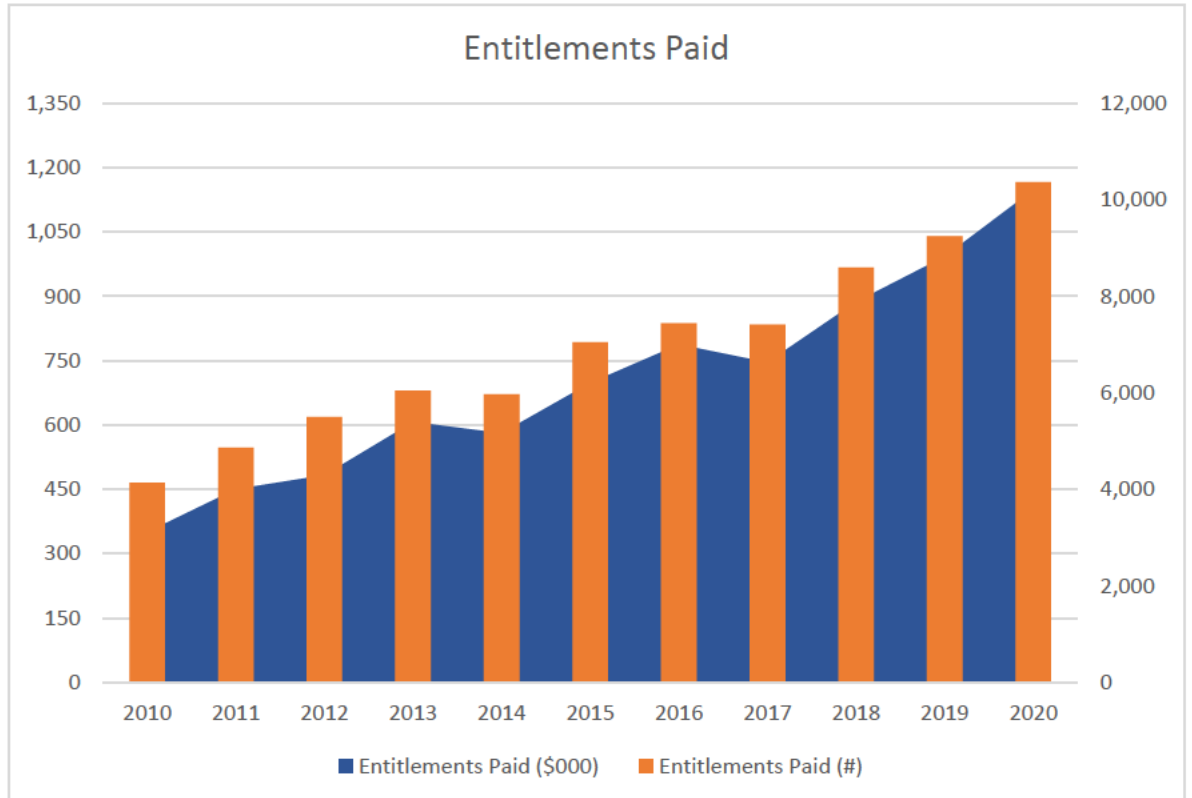
Further uncertainty in relation to what the impact will be when Government stimulus is wound back and opening of borders between States means that forecasting the impacts on building and construction jobs and registered workers with TasBuild is a difficult task. This poses issues with trying to plan for the recovery phase and what the speed of the recovery will be.

There is also a growing concern about the relationship with Australia's major trading partner, China. Trade with China has been a substantial factor in the economic success of Australia in recent years and with some of Australia's major export industries being targeted by China, this creates concern about whether they can regroup and divert trade to other countries within a reasonable period of time to counteract the damage done by China.

The trends to date over operational areas is detailed below.



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Employers	435	321	290	1429	1440	1529	1620	1703	1744	1903	2033
Workers	12,682	12,909	11,695	11,076	11,051	11,232	11,934	12,602	13,330	14,774	15,773
Contributions	6,602	8,653	8,354	8,024	8,368	8,958	9,847	10,393	10,557	11,702	13,314



Entitlements Paid	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Number	465	547	619	680	672	793	837	834	967	1040	1166
\$000	3,114	3,997	4,293	5,394	5,164	6,204	7,000	6,632	7,886	8,829	10,204

The above statistics also demonstrate a level of maturity the Fund has reached where the rate of growth in entitlement payments is increasing at a higher rate than the registered workers and contributions received. As at 30 June 2020, 70% of all contributions received are being paid out as entitlements to workers at an average of \$8,751 per claim. Total entitlement claim payments inclusive of Self-Employed claim payments for the year were \$10,357,336, a 12% increase over the prior year and continues to reinforce the benefit TasBuild can deliver to workers in the building and construction industry.

Despite increases in registered workers and employers, continuing development of wCRM and more strategic utilisation of the Australian Business Register, the continued need to focus on compliance processes in relation to employer registrations has resulted in increased resource and financial commitments. The identification of non-compliant employers will be an ongoing focus with action being taken to find ways to encourage voluntary registration as well as continuing to utilise technology to detect non-compliant businesses and enforce registration, reporting and payment obligations.

As the custodians of the contributions paid by the employers TasBuild is cognisant that we have an important obligation to conduct the administration in an efficient and cost-effective manner to minimise the amount of contributions utilised for administrative overheads. Due to the wCRM implementation, administrative costs have risen slightly. This increase can be partly attributed to a one off cost associated with the wCRM implementation and the challenge for the next 12 months is to maximise the benefits of the new administration platform and reduce the cost per active employer and worker.

## **STRATEGIC PLAN**

During the year, the staff and the Board continued their work to deliver the outcomes required to deliver on the Strategic Plan 2017-2020.

The five Core Business Areas the Board has focused on are:

1. Compliance Monitoring;
2. Membership Management;
3. Investment Portfolio;
4. Industry Profile and Education; and
5. Internal Administrated Governance.

During the financial year, the following activities have been undertaken to move the organisation towards the Plan's objectives:

1. Compliance Monitoring
  - Work has continued to refine the ABR compliance process and achieve more efficient identification of non-compliant employers.
  - Work has also continued to identify other data sources that can be used to compliment and corroborate the data obtained from the ABR.
2. Membership Management
  - Work has continued on review and correction of workers' records to ensure current and correct data is held;
  - Document review and amendment has been ongoing to simplify completion and data capture for workers;
  - Workers' entitlement eligibility has been carefully audited and processes to prompt workers about potential loss of eligibility or current entitlement to a benefit have been scrutinised to ensure communications are issued to optimise the workers entitlements.

3. Investment Portfolio:

The following actions have been undertaken during the year:

- Review of benchmarks against which investment returns are measured;
- Annual review and quarterly monitoring of investment objectives;
- Annual review of investment strategy against market trends and entitlement demands; and
- Annual review of the sufficiency of the contribution rate.

4. Industry Profile and Education:

- The focus for this year has been completing a suite of four videos to help workers and employers understand how TasBuild works. These have been posted on the home page of the website and promoted on Facebook. Interest in these videos have been very encouraging.
- Encouragement of workers and employers to engage through online communications or portals; and
- The impact of COVID-19 has restricted field staff attending employer and worker-based forums and provision of TasBuild-related information around the State and has highlighted the need to drive increased penetration of online portal use.

5. Internal Administrated Governance:

- wCRM has been implemented and there has been ongoing work to improve the quality of the data held, improve the administrative processes and to continue tailoring the online portals to provide the best user experience possible for workers and employers;
- Board CPD training regularly scheduled; and
- The new administration manual has been completed and as with any administration process is being continually improved and updated to reflect improvements being made in wCRM and associated administration procedures.

As wCRM impacts on virtually every aspect of TasBuild's operations, 2020-21 will be a period of consolidation and looking to leverage off the new functionality that wCRM can introduce to further enhance the service delivered to our registered workers and employers.

## INVESTMENTS / FINANCIAL PERFORMANCE

TasBuild Limited retains the services of an implemented consultant to manage the portfolio against the Board's investment objectives. Mercer was appointed in late 2011, and over this time it has met or exceeded the Board's investment objectives and benchmarks.

TasBuild commissioned an independent expert organisation, Chant West, to undertake a review of Mercer and their peers in late 2019 to ascertain whether Mercer were still providing an appropriate service that met TasBuild's requirements. The Chant West report confirmed that Mercer:

- had highly regarded staff;
- offered a greater range of sector portfolios;
- the TasBuild portfolio investment performance has outperformed peer providers median performance;
- charges competitive fees; and
- is regarded as a global thought leader in ESG thinking.

Based on this report, TasBuild has committed to continue using Mercer as the implemented investment consultant.

In consultation with the Board, the Investment Committee annually reviews the Fund's investment objectives. Based on the investment performance, information and forecasts combined with the



advice of the Actuary, it was determined that the following investment objectives were appropriate for the financial year.

The approved investment objectives are:

- Average weekly ordinary time earnings + 1.5% over rolling 5-year periods after investment fees;
- Chance of negative return, 1 in 5 years;
- To outperform the asset-weighted benchmark return, comprised of relevant market indices, by 1% p.a. (before investment management fees) over rolling 12-month periods; and
- Achieve and maintain an asset value that is not less than 110% of the financial statement value of liabilities.

The Board constantly reviews the performance of the investments held by Mercer against the stated investment objectives and industry benchmarks for each asset class.

The table below provides an overview of the investments' performance against each of the Board's objectives:

	Year to 30 June 2020	3 years	5 years
Total Fund (Gross)	2.7	7.4	7.5
Net Return (after fees)	1.9	6.6	6.7
Benchmark	1.2	5.8	5.6
<i>Excess Return over Benchmark</i>	0.7	0.9	1.3
AWE + 1.5%	3.0	4.0	3.8
<i>Excess Return over WE + 1.5%</i>	-1.0	2.8	3.3

These results confirm that all five investment objectives were met.

Mercer makes recommendations as to the appropriate Strategic Asset Allocation (SAA) to achieve the Board's investment objectives. The table below shows the Board-approved SAA for 2019-2020 and details the values of each asset class as at 30 June 2020.

		Actual	SAA	Lower Range	Upper Range
MERCER MULTI-MANAGER FUND	(\$)	(%)	(%)	(%)	(%)
<b>SHARES</b>		<b>43.4</b>	<b>42.0</b>	<b>22.0</b>	<b>62.0</b>
Mercer Australian Shares Plus Fund	29,733,276	20.0	21.0	5.0	35.0
Mercer International Shares Fund	15,333,680	10.6	9.0	0.0	20.0
Mercer Hedged International Shares Fund	9,894,116	6.6	6.0	0.0	20.0
Mercer Global Small Companies Shares Fund	3,504,434	2.4	2.0	0.0	10.0
Mercer Emerging Markets Shares Fund	5,641,267	3.7	4.0	0.0	10.0
<b>REAL ASSETS</b>		<b>27.9</b>	<b>28.0</b>	<b>0.0</b>	<b>55.0</b>
Mercer Australian Direct Property Fund	19,379,500	13.4	15.0	0.0	15.0
Mercer Global Listed Property Fund	3,133,701	2.1	2.0	0.0	15.0
Mercer Global Listed Infrastructure Fund	3,417,246	2.4	2.0	0.0	10.0
Mercer Global Unlisted Infrastructure Fund	15,745,009	10.1	9.0	0.0	15.0
<b>FIXED INTEREST</b>		<b>20.7</b>	<b>22.0</b>	<b>0.0</b>	<b>70.0</b>
Mercer Global Credit Fund	7,406,949	5.0	5.0	0.0	10.0
Mercer Emerging Markets Debt Fund	4,584,180	3.3	3.0	0.0	10.0
Mercer Australian Sovereign Bond Fund	12,167,474	8.4	9.0	0.0	25.0
Mercer Australian Inflation Plus Fund	5,955,078	4.1	5.0	0.0	10.0
<b>CASH</b>		<b>8.0</b>	<b>8.0</b>	<b>0.0</b>	<b>20.0</b>
Mercer Cash Fund - Term Deposit Units	11,665,383	8.0	8.0	0.0	20.0

The table below provides an overview of the investments' performance against the agreed benchmarks for each asset class as at 30 June 2020:

MERCER MULTI-MANAGER FUNDS	FINANCIAL YEAR (%)				THREE YEARS (%)				FIVE YEARS (%)			
	Gross Return	Net Return	B'mark	Excess (+/-)	Gross Return	Net Return	B'mark	Excess (+/-)	Gross Return	Net Return	B'mark	Excess (+/-)
SHARES												
Mercer Australian Shares Plus	-6.6	-7.1	-7.6	0.5	5.5	4.8	5.2	-0.5	6.9	6.1	6.0	0.1
Mercer International Shares	4.9	4.4	5.2	-0.8	-	-	-	-	-	-	-	-
Mercer Hedged International Shares	0.8	0.2	1.3	-1.1	6.3	5.7	6.2	-0.6	-	-	-	-
Mercer Global Small Companies Shares	-1.8	-2.6	-3.4	0.7	6.9	6.0	5.7	0.3	6.7	5.8	6.6	-1.1
Mercer Emerging Markets Shares	-1.9	-2.7	-1.5	-1.2	6.0	5.2	5.6	-0.5	5.7	4.9	5.1	-0.3
REAL ASSETS												
Mercer Australian Direct Property	5.7	4.7	6.1	-1.4	9.9	8.8	5.9	3.3	11.1	10.0	6.7	4.2
Mercer Global Listed Property	-16.5	-17.2	-17.6	0.4	0.0	-0.7	-1.9	1.1	3.0	2.2	1.6	0.6
Mercer Global Listed Infrastructure	-6.9	-7.6	-7.9	0.2	3.5	2.7	3.3	-0.6	6.9	6.1	6.6	-0.3
Mercer Global Unlisted Infrastructure	10.1	8.3	7.2	1.1	12.0	9.7	6.0	4.1	15.4	12.3	5.7	6.6
FIXED INTEREST												
Mercer Global Credit	5.8	5.1	5.5	-0.3	5.1	4.5	4.8	-0.3	5.3	4.8	5.2	-0.5
Mercer Emerging Markets Debt	-1.5	-2.8	-1.0	-1.8	3.6	2.4	4.8	-2.6	4.3	3.3	4.6	-1.6
Mercer Australian Sovereign Bond	4.8	4.5	4.2	0.4	6.4	6.2	6.0	0.3	5.4	5.1	5.0	0.2
Mercer Australian Inflation Plus	5.3	5.0	3.1	1.9	4.4	4.1	3.0	1.2	3.6	3.2	2.8	0.5
CASH												
Mercer Cash - Term Deposit Units	1.5	1.3	0.8	0.5	2.1	1.9	1.5	0.3	2.2	2.0	1.7	0.3
<b>TOTAL FUND</b>	<b>2.7</b>	<b>1.9</b>	<b>1.2</b>	<b>0.7</b>	<b>7.4</b>	<b>6.6</b>	<b>5.8</b>	<b>0.9</b>	<b>7.5</b>	<b>6.7</b>	<b>5.6</b>	<b>1.3</b>

Total assets have increased by 2.1% over the year whilst at the same time the Fund's beneficiary liability has grown by 9.2%. At first glance, given the current investment market performance, COVID-19 impacts and the growth in the beneficiary liability exceeding the asset growth, this appears to be a cause for a concern. Having said that, the Board's management of funds has provided a healthy, assets to liabilities ratio of 119.3% which provides a positive buffer against these types of movements in the markets.

This situation highlights the strength of the investment portfolio to withstand these shocks but the Board is still being very vigilant as there will potentially be substantial volatility in the markets as the ongoing impacts of COVID-19 are analysed and factored into investment valuations.

Mercer continues to work closely with the Board and the Investment Committee to monitor developments in the investment markets to ensure that the portfolio continues to perform well relative to the market and to ensure TasBuild is not unnecessarily exposed to unacceptable investment market risk.

The above table of asset allocations include the 'off-platform' investments held by TasBuild and managed by the Board. The Board has a goal to support the Tasmanian building and construction industry and at this stage has two development loans totalling \$7.04 million and is in the process of finalising a third loan of \$1.8 million.

Off-platform assets managed by TasBuild are detailed below:

Investment Options	Asset Allocation %	Valuation at 30 June 2019
Direct Property	18.2	\$2.56 M
Term Deposits & Cash at Bank	31.8	\$4.47 M
Development Loan	50.0	\$7.04 M
<b>TasBuild Total</b>	<b>100.0</b>	<b>\$14.07 M</b>

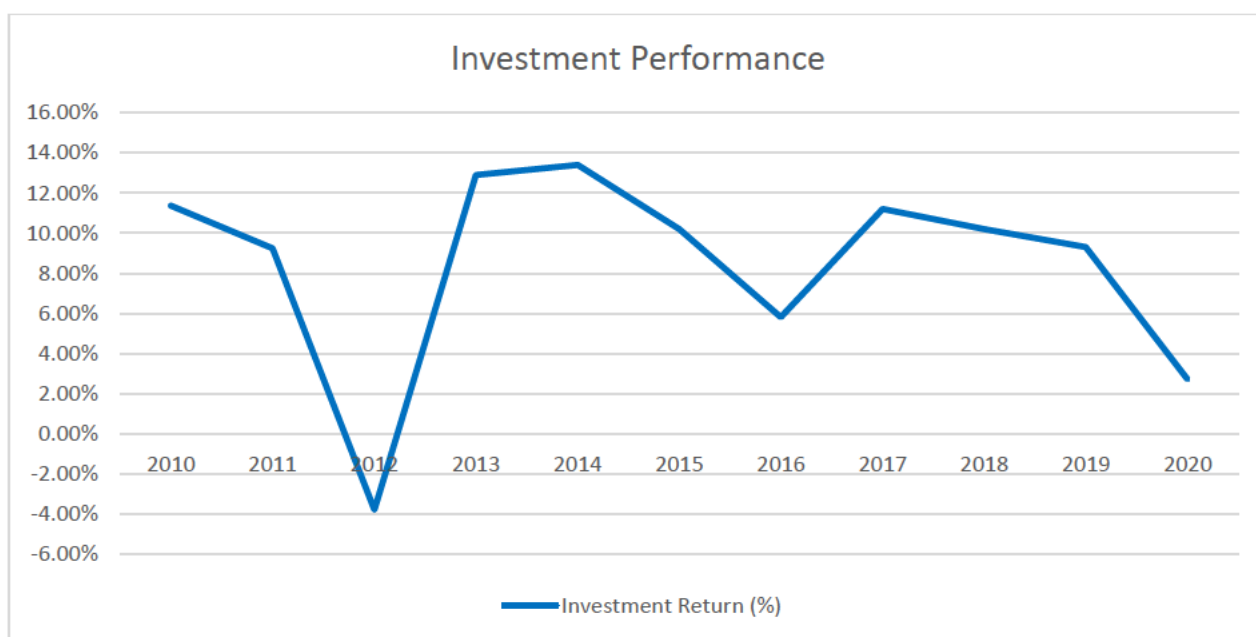
*Note: direct property is recorded at valuation.*

The movement for the year in investment and liability related figures is detailed below:

Investments	June 2016	June 2017	June 2018	June 2019	June 2020
Total Assets (\$000)	111,054	124,400	138,415	152,009	154,785
Total Funds Invested (\$000)	102,466	116,530	129,408	142,650	146,022
Investment Return (%)	5.8%	11.2%	10.2%	9.3%	2.7%
Actuarial Liability (\$000)	89,150	95,142	101,553	116,646	128,439
Assets/Liabilities Coverage (%)	123.2%	129.3%	135.3%	129.3%	119.3%

Despite instability in global markets due to trade tensions and COVID-19, investments have continued to grow and a positive return of 2.7% has been achieved.

Our historical investment performance is highlighted in the following graph:



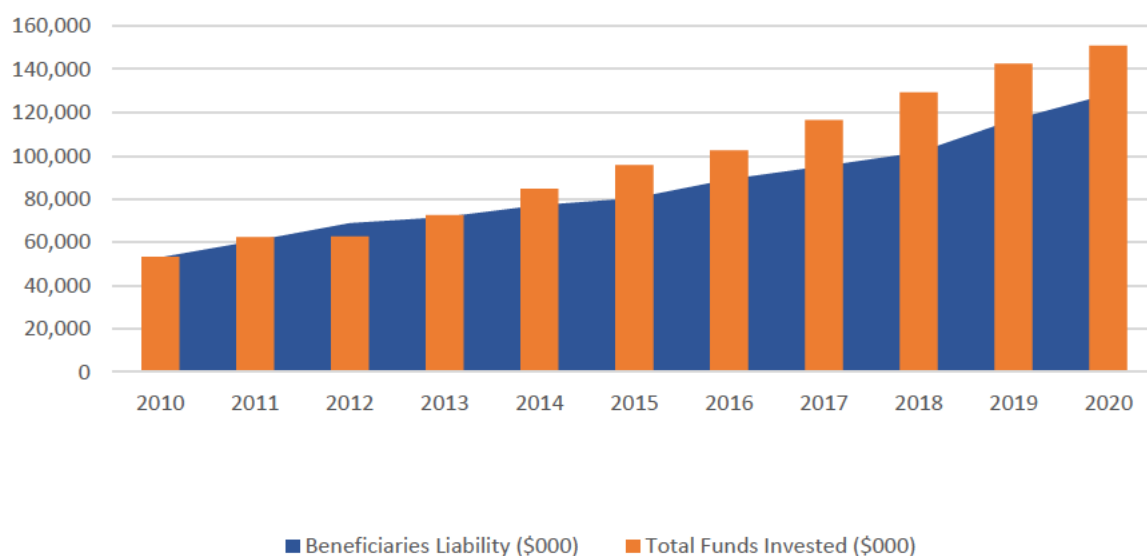
The increase in actuarial liability of \$11.793 million is primarily due to the increasing maturity of the Fund. Increasing maturity of the Fund refers to the fact that there has been a significant increase in the number of workers that have at least become entitled to their first long service leave entitlement.

As a risk minimisation strategy, the Board set an investment objective whereby the 'Assets to Liabilities ratio' must be at least 110 percent of the Beneficiary Liability as per the financial statement. Achieving this level of liability coverage provides a buffer against the vagaries of market fluctuations and liability valuations. This in turn removes pressure on employer contribution rates and other actions to minimise risk.

As at 30 June 2020 the Assets to Liabilities ratio was 119.3% down from 129.3% at June 2019. Whilst this is a significant decline, in the context of the historically low interest rates, global investment market performance and the substantial rise of 10% in the Beneficiary Liability, this only highlights the strong fiscal management demonstrated by the Board.



### Beneficiaries Liability vs Funds Invested



Mercer has provided advice to TasBuild that our investment objectives can best be achieved through a portfolio that is diversified in a number of ways:

- Growth assets (70%) versus defensive assets (30%);
- 15 different assets classes are utilised;
- Investing in multi-manager investment funds; and
- Directly managing our portfolio of off-platform investments.

This diversified investment strategy along with pro-active management through Mercer helps to minimise the risk of a major and protracted reduction in investment valuation and performance.

The Beneficiary Liability provides the motivation for prudent management of the pool of investments and the reason the Board engages with the expertise available through Mercer's staff.

The Beneficiary Liability represents the expected worker long service leave benefits that are estimated to be paid out in the future for the currently registered workers. The need to have assets that match or exceed the value of this liability is a major determinant of investment decisions. Our success through investing and the comparative growth of this liability are two of the most important factors impacting on employer contribution rate decisions.

The Actuary has advised that based on the situation at the date of the Actuarial report, the current discounted contribution rate of 1.8% is sustainable, provided there is no significant change in registered workers or investment performance.

Investment Governance is a critical aspect of both the Board and Investment Committee responsibility. A suite of documents dictates policy, strategy and beliefs and the guidance in these documents is proactively applied in the monitoring of investments and liabilities. Strategic decisions, benchmarks and investment objectives are assessed monthly and reviewed at least annually, or if market volatility dictates, on a more frequent basis. The documentation including investment objectives are also scrutinised at least annually to determine whether they address current investment practice and/or market circumstances. The close interaction between the Board Members and Mercer's staff has ensured that the Fund's funds objectives are supported by the recommended investment strategy and solvency remains above the Board's approved benchmark.

## INFORMATION TECHNOLOGY

The primary focus throughout the year regarding Information Technology has been the implementation, continual review and tailoring of the new administration platform, Worker Customer Relationship Management System (wCRM) that went live 1 July 2020.

wCRM has provided extra functionality to promote efficient processes for all involved as well as the opportunity for TasBuild to more effectively communicate with Employers and Workers, especially in regards to the online Employer and Worker portal.

The staff at TasBuild have been focused on ensuring the best possible use of wCRM to provide the best outcomes for both Employers and Workers. There has been some vast improvement in this area in regards to online interaction, ability to lodge returns electronically, pre-populated returns and greater efficiency for both Employers and Workers through use of the online portals.

Our future focus will be building on the current wCRM functionality with continual reviews whilst looking at new enhancements to the system to roll out which will allow for even greater interaction and efficiency, hence providing further efficiencies for the Fund, workers and employers. This includes such things as online Worker Entitlement applications and direct email integration into the database allowing for more efficient task management generated due to emails received.

TasBuild has engaged 5G Networks to host our server to provide more timely access to the latest technology, software updates, maintenance support and data security. This in turn ensures that workers and employers will be accessing a more secure and stable IT environment and should have a greater peace of mind that their records have a higher level of security than a server located in the TasBuild office. When the transition is completed and on a periodic basis, TasBuild will engage an independent provider to undertake penetration testing to ensure that 5G Networks are providing the secure environment that workers and employers would expect.

## HUMAN RESOURCES

2019-2020 has been a busy, yet productive year for TasBuild staff with the first half of the year seeing the implementation of the new wCRM computer database system and the second half of the year seeing some significant staffing changes as well as dealing with the everchanging COVID-19 situation.

The upgrading of the administration platform from Ultimate to wCRM went live on the 1<sup>st</sup> July 2019 and whilst this provided a new and improved platform for the Team to work with, it certainly also created an additional workload. The constant testing and review, implementation of new functionality, creation of new procedure manuals, dealing with software bugs and then being available to both Employers and Workers to assist them in using the new portals and systems certainly stretched all staff involved to their full capacity, whilst they also managed their normal day to day workload.

The second half of the year saw some structural changes and the implementation of a new position of Operations/Office Manager commencing at the end of January 2020. This role was primarily identified to manage all administrative areas of TasBuild including the new wCRM software, Human Resources including a review of policies and procedures and overall general operations of TasBuild with a view to continuous improvement, development and strategic management.

From early March through to the end May the staff worked in an everchanging environment due to COVID-19. This period not only saw an influx of questions arising from Employers and Workers but also eventually culminated in half the team working from home

As at 30 June 2020 the following staff were employed by TasBuild Limited:

Chief Executive Officer	Michael Irwin
Operations/Office Manager	Kristy Alexander
Field Officer	Mark Corrigan
Compliance Officer	Jim Howatt

#### Operations Team

Worker Entitlements processing and service reviews	Vicky Blizzard
Employer Returns management	Kylie McDonald
Accounts Receivable, Unrecorded Service and Legal Files	Juanita Johnson
Business and Worker Registrations,	Sharyn Rawnsley
Backlog Invoices and Receipting	
Accounts Payable and Payroll	Rebecca Park
Reception	Ronda Randall
Tammie O'Brien (currently on Maternity Leave)	

Staff are to be congratulated for their commitment and dedication in continuing to provide timely and quality worker and employer services in difficult and challenging times.

#### FUTURE ISSUES

To ensure our continued relevance and high level of customer satisfaction, a number of important issues have been identified for attention during the next year:

- Leverage new computer system attributes to improve the service delivered to workers and employers;
- Implement data cleansing to improve the quality of worker and employer data held;
- Proactively alert workers to entitlement eligibility;
- Monitor investment portfolio;
- Improve communication and education materials for workers and employers;
- Engage with the Government to finalise legislative amendments and review the Fund Rules; and
- Maintain frequency of public relations visits to sites to raise our profile with employees and employers.

The above reflects a significant and challenging workload for our small and dedicated team. The benefits to be derived for employers, workers and the TasBuild Board and staff will far outweigh the commitment required to deliver these outcomes.



Michael Irwin  
Chief Executive Officer

## **THE BOARD**

The construction Industry Long Service Board is established under the provisions of the Trust Deed. The Board consists of seven members.

Three members are appointed to represent employers. They are nominated by the Master Builders Association of Tasmania, the Tasmanian Chamber of Commerce and Industry and the Building Industry Specialist Contractors Association.

Three members are appointed to represent employees; they are nominated by the Construction, Forestry, Mining and Energy Union, the Australian Manufacturing Workers Union and Unions Tasmania.

The Board of Directors meets on a bi-monthly basis with other meetings scheduled on a need's basis. In 2019-2020 the board met on 7 occasions.

Other "Special" meetings are held to consider specific matters that require attention between scheduled meetings.

An independent Chairman is nominated by the Board of Directors.

The membership of the Board for the 2019 - 2020 financial year was:

### ***DIRECTORS OF TASBUILD LIMITED***

#### **MR ROD SCURRAH** Chairman



Rod Scurrah has worked in the Financial Services Industry since 1972. He has been licensed to give Financial Advice since 1985 and in 1998 graduated with The Diploma in Financial Planning through Deakin University and achieved Certified Financial Planner status. He is a Fellow of The Financial Planning Association and a Life Member of The Association of Financial Advisers. In 2005 Rod was awarded a National Value of Advice Award by The Financial Planning Association.

Rod is a Graduate member of The Institute of Company Directors. He was Chairman of The Tasmanian Catholic Education Commission, completing his 6-year term in 2011 and has previously been Chair of the Board of Guilford Young College in Hobart, National President of The Association of Financial Advisers and Chair of the Asia-Pacific Life Insurance Council.

Appointment 20.08.2012  
Re-appointed 19.04.2018  
Term expires 20.04.2022

#### **MR LYNDON FENTON** Representative Master Builders Association



Lyndon Fenton is a Director of a Hobart based building company and the president of Master Builders Tasmania Inc.

Appointment 24.04.2018  
Term expires 20.04.2022

Alternate  
Mr. Matthew Pollock  
Appointed 17.01.2019





**MR JOHN SHORT**

**Representative of the Australian Manufacturing Workers Union**

John Short, past TasBuild Director and has been recently re-appointed. Tasmanian State Secretary of the Australian Manufacturing Workers Union, John, a Boilermaker by trade emigrated from the United Kingdom in 1981 working in the Steel, Oil, Vehicle, Shipbuilding and Construction Industries. He commenced work with the Australian Manufacturing Workers Union in 2000 in the Unions National Office in Sydney as the head of the AMWU's National Organising Unit, he then moved to South Australia to work as an Organiser with the South Australian branch until July 2010 when he relocated to Tasmania to take up the position of State Secretary of the AMWU.

Appointment 17.08.2016

Re-appointed 20.04.2020

Term expires 20.04.2024

Alternate

Mr. Jacob Batt

Appointment 25.07.2019



**MR MICHAEL SHEPPERD**

**Representative of the Building Industry Specialist Contractors Organisation**

After graduating with a Bachelor of Business Degree (Accounting), Michael gained work experience within Tasmanian Industry.

As a Certified Practising Accountant, Michael's involvement in public practice has concentrated on the provision of services to specialist contractors in the building and construction industry.

Appointment 29.04.1998

Re -appointed 20.04.2018

Term expires 20.04.2022

Alternate

Mr. Mark Bayles

Appointment 14.07.2014



**MR MICHAEL BAILEY**

**Representative of the Tasmanian Chamber of Commerce and Industry**

Michael Bailey is the Executive Director of the TCCI.

Appointment 20.04.2020

Term expires 20.04.2024

Alternate

Ms Colleen Reardon

Appointment 20.04.2020

***DIRECTORS OF TASBUILD LIMITED CONTINUED***

**MR KEVIN HARKINS**

**Representative of the Construction, Forestry, Mining & Energy Union**

Kevin Harkins is currently employed by the CFMEU and is a past Secretary of Unions Tasmanian and State Secretary of the Tasmanian Branch of the Communications, Electrical and Plumbing Union (CEPU) and has been a Union Official since 1995.

Kevin is an "A" grade Electrician with many years' experience in all fields of electrical work.

Kevin has extensive experience working with apprentices as a Field Officer and Director of a large Group Training Company, a board member with the Tasmanian Electrotechnology Industry Training Board, and as a member of the Tasmanian Training Agreement Committee.

Kevin has held numerous other board and committee positions, and has completed a Directors course with the Australian Institute of Company Directors.

Appointment 16.08.2016

Re-appointed 16.03.2018

Term expires 20.04.2022

Alternate

Mr. Richie Hassett

Appointed 18.08.2016

**MR MICHAEL ANDERSON**

**Representative of the Unions Tasmania**

Michael Anderson is the State Secretary of the CEPU.

Appointment 07.12.2017

Re-appointed 20.04.2020

Term expires 20.04.2024

Alternate

Ms. Leaselle Archer

Appointed 18.12.2017

**MR ADRIAN GRANGER**

**Representative of the Tasmanian Chamber of Commerce and Industry**

Adrian is a The Managing Director of Kelly Civil Contracting Pty Ltd based in Cambridge.

Adrian's career started in the late 70's with the Government as a Cadet Draftsman. On completion of Adrian's Diploma in Civil Engineering he moved to a private consulting engineering firm based in Hobart and now runs his own Civil Engineering Consulting agency and a Civil Contracting business.

Adrian is also a Director of the Civil Contractor's Federation-Tasmanian Branch and the National Board and also on Asbestos Free Tasmania Board.

Appointment 15.06.2007

Re -appointed 20.04.2016

Resigned 20.04.2020



## ***2020 Financial Report***

***DIRECTOR'S REPORT***

***AUDITORS INDEPENDENCE DECLARATION***

***STATEMENT OF COMPREHENSIVE INCOME***

***STATEMENT OF FINANCIAL POSITION***

***STATEMENT OF CHANGES IN EQUITY***

***STATEMENT OF CASH FLOWS***

***NOTES TO THE FINANCIAL STATEMENT***

***ACTUARIAL STATEMENT***

***DIRECTOR'S DECLARATION***

***INDEPENDENT AUDITOR'S REPORT***



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